

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1001 be amended to read as follows:

- 1 Page 47, between lines 16 and 17, begin a new paragraph and insert:
2 "SECTION 51. IC 6-1.1-5-7 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) A person to
4 whom the title to real property has passed, either under the laws of
5 descent of this state or by virtue of the last will of a decedent, may
6 procure a transfer of the real property on the tax duplicate on which the
7 real property is assessed and taxed. In order to procure the transfer, the
8 person must prepare an affidavit and, except as provided in section 9
9 of this chapter, file it with the auditor of the county in which the real
10 property is situated. The affidavit shall contain the following
11 information:
12 (1) The decedent's date of death.
13 (2) Whether the decedent died testate or intestate. ~~and~~
14 (3) The affiant's interest in the real property.
15 **(4) If the real property is residential property, the amount of**
16 **any taxes that have been deferred under IC 6-1.1-46.**
17 In addition, if the decedent died testate, the affiant must attach a
18 certified copy of the decedent's will to the affidavit. However, if the
19 will has been probated or recorded in the county in which the real
20 property is located, the affiant, in lieu of attaching a certified copy of
21 the will, shall state that fact in the affidavit and indicate the volume and
22 page of the record where the will may be found.
23 (b) Except as provided in section 9 of this chapter, the county
24 auditor shall enter a transfer of the real property in the proper transfer

book after the affidavit is filed with ~~his~~ **the county auditor's** office.

(c) No transfer made under this section has the effect of conferring title upon the person procuring the transfer.

(d) Before the county auditor may transfer real property described in subsection (a) on the last assessment list or apportion the assessed value of the real property among the owners, the owner must pay or otherwise satisfy all taxes on the parcels being transferred that have become due under IC 6-1.1-46 as a result of the death of the person by paying the property tax to the county treasurer of the county in which the real property is located.

(e) If a county auditor, in violation of subsection (d), transfers real property in the proper transfer book before all taxes due are satisfied:

- (1) a lien for and the duty to pay property taxes that are due and owing are not released or otherwise extinguished; and**
- (2) property taxes that are due and owing on the affected parcel of property may be collected as if the county auditor had not transferred the property in the proper transfer book in violation of subsection (d)."**

Page 52, between lines 35 and 36, begin a new paragraph and insert:
 "SECTION 60. IC 6-1.1-5.5-5, AS AMENDED BY P.L.154-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

- (1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).
- (2) Whether the entire parcel is being conveyed.
- (3) The address of the property.
- (4) The date of the execution of the form.
- (5) The date the property was transferred.
- (6) Whether the transfer includes an interest in land or improvements, or both.
- (7) Whether the transfer includes personal property.
- (8) An estimate of any personal property included in the transfer.
- (9) The name, address, and telephone number of:
 - (A) each transferor and transferee; and
 - (B) the person that prepared the form.
- (10) The mailing address to which the property tax bills or other official correspondence should be sent.
- (11) The ownership interest transferred.
- (12) The classification of the property (as residential, commercial, industrial, agricultural, vacant land, or other).
- (13) The total price actually paid or required to be paid in exchange for the conveyance, whether in terms of money, property, a service, an agreement, or other consideration, but

excluding tax payments and payments for legal and other services that are incidental to the conveyance.

(14) The terms of seller provided financing, such as interest rate, points, type of loan, amount of loan, and amortization period, and whether the borrower is personally liable for repayment of the loan.

(15) Any family or business relationship existing between the transferor and the transferee.

(16) If the transferred property is residential property, the amount of any taxes deferred under IC 6-1.1-46 and interest due on the deferred taxes.

~~(16)~~ (17) Other information as required by the department of local government finance to carry out this chapter.

If a form under this section includes the telephone number or the Social Security number of a party, the telephone number or the Social Security number is confidential.

(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1)."

Page 125, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 139. IC 6-1.1-22-5, AS AMENDED BY P.L.67-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsections (b) and (c), on or before March 15 of each year, the county auditor shall prepare and deliver to the auditor of state and the county treasurer a certified copy of an abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in that year in each taxing district of the county. The county auditor shall prepare the abstract in such a manner that the information concerning property tax deductions reflects the total amount of each type of deduction. The abstract shall also contain a statement of the taxes and penalties unpaid in each taxing unit **and the amount of taxes deferred and interest accrued on deferred taxes under IC 6-1.1-46** at the time of the last settlement between the county auditor and county treasurer and the status of these delinquencies **and deferred taxes**. The county auditor shall prepare the abstract on the form prescribed by the state board of accounts. The **offices of the** auditor of state, county auditor, and county treasurer shall each keep a copy of the abstract as a public record.

(b) If the county auditor receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) **(repealed)** before the county auditor prepares and delivers the certified copy of the abstract under subsection (a), the county auditor shall prepare and deliver the certified copy of the abstract when the appeal is resolved by the department of local government finance.

(c) If the county auditor receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) **(repealed)** after the county

auditor prepares and delivers the certified copy of the abstract under subsection (a), the county auditor shall prepare and deliver a certified copy of a revised abstract when the appeal is resolved by the department of local government finance that reflects the action of the department.

SECTION 140. IC 6-1.1-22-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The county treasurer shall keep a register of taxes and special assessments in the manner and on the form prescribed by the state board of accounts. ~~He~~

The county treasurer shall enter:

(1) each payment of the taxes and special assessments in the register on the day the payment is received; **and**

(2) each deferral of the payment of property taxes in the register on the day the taxes would otherwise be due if the taxes had not been deferred under IC 6-1.1-46.

SECTION 141. IC 6-1.1-22-8.1, AS ADDED BY P.L.162-2006, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.1. (a) This section applies only to property taxes and special assessments first due and payable after December 31, 2007.

(b) The county treasurer shall:

(1) mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book; and

(2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records;

a statement in the form required under subsection ~~(c)~~ (d).

(c) The county treasurer shall include the following in a statement concerning residential real property (other than property known by the county treasurer to be rental property) that is distributed under subsection (b) after May 15, 2008:

(1) A brief description of the availability of the property tax deferral program under IC 6-1.1-46.

(2) If the property has been approved for the deferral of property taxes:

(A) a separate statement of the amount of property taxes that may be deferred under IC 6-1.1-46;

(B) the cumulative total of the property taxes deferred under IC 6-1.1-46 in the current year and all prior years that is not subject to the accrual of interest under IC 6-1.1-46, if the amount is greater than zero dollars (\$0);

(C) the cumulative total of the property taxes deferred under IC 6-1.1-46 in the current year and all prior years

1 **that is subject to the accrual of interest under IC 6-1.1-46,**
 2 **if the amount is greater than zero dollars (\$0); and**
 3 **(D) the cumulative total of interest accruing on property**
 4 **taxes deferred under IC 6-1.1-46, if the amount is greater**
 5 **than zero dollars (\$0).**

6 ~~(c)~~ **(d)** The department of local government finance shall prescribe
 7 a form, subject to the approval of the state board of accounts, for the
 8 statement under ~~subsection~~ **subsections (b) and (c). The form**
 9 **prescribed for a statement under subsection (b) must include that**
 10 ~~includes~~ at least the following:

11 (1) A statement of the taxpayer's current and delinquent taxes and
 12 special assessments.

13 (2) A breakdown showing the total property tax and special
 14 assessment liability and the amount of the taxpayer's liability that
 15 will be distributed to each taxing unit in the county.

16 (3) An itemized listing for each property tax levy, including:

17 (A) the amount of the tax rate;

18 (B) the entity levying the tax owed; and

19 (C) the dollar amount of the tax owed.

20 (4) Information designed to show the manner in which the taxes
 21 and special assessments billed in the tax statement are to be used.

22 (5) A comparison showing any change in the assessed valuation
 23 for the property as compared to the previous year.

24 (6) A comparison showing any change in the property tax and
 25 special assessment liability for the property as compared to the
 26 previous year. The information required under this subdivision
 27 must identify:

28 (A) the amount of the taxpayer's liability distributable to each
 29 taxing unit in which the property is located in the current year
 30 and in the previous year; and

31 (B) the percentage change, if any, in the amount of the
 32 taxpayer's liability distributable to each taxing unit in which
 33 the property is located from the previous year to the current
 34 year.

35 (7) An explanation of the following:

36 (A) The homestead credit and all property tax deductions.

37 (B) The procedure and deadline for filing for the homestead
 38 credit and each deduction.

39 (C) The procedure that a taxpayer must follow to:

40 (i) appeal a current assessment; or

41 (ii) petition for the correction of an error related to the
 42 taxpayer's property tax and special assessment liability.

43 (D) The forms that must be filed for an appeal or a petition
 44 described in clause (C).

45 The department of local government finance shall provide the
 46 explanation required by this subdivision to each county treasurer.

(8) A checklist that shows:

(A) the homestead credit and all property tax deductions; and

(B) whether the homestead credit and each property tax deduction applies in the current statement for the property transmitted under subsection (b).

~~(d)~~ (e) The county treasurer may mail or transmit the statement one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment.

~~(e)~~ (f) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

~~(f)~~ (g) The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included in the statement under subsection ~~(e)~~ (d).

~~(g)~~ (h) The information to be included in the statement under subsection ~~(e)~~ (d) must be simply and clearly presented and understandable to the average individual.

~~(h)~~ (i) After December 31, 2007, a reference in a law or rule to IC 6-1.1-22-8 shall be treated as a reference to this section.

SECTION 142. IC 6-1.1-22-9, AS AMENDED BY P.L.219-2007, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsections (b) and (c) the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

(1) Subsection (c).

(2) Subsection (d).

(3) Subsection (h).

(4) Subsection (i).

(5) IC 6-1.1-7-7.

(6) IC 6-1.1-46.

~~(6)~~ (7) Section 9.5 of this chapter.

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the

county council has adopted such an ordinance, then whenever a tax statement mailed under section 8 of this chapter shows that the person's property tax liability for a year is less than twenty-five dollars (\$25) for the property covered by that statement, the tax liability for that year is due in one (1) installment on May 10 of that year.

(d) If the county treasurer receives a copy of an appeal petition under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) (**repealed**) before the county treasurer mails or transmits statements under section 8(a) of this chapter, the county treasurer may:

(1) mail or transmit the statements without regard to the pendency of the appeal and, if the resolution of the appeal by the department of local government finance results in changes in levies, mail or transmit reconciling statements under subsection (e); or

(2) delay the mailing or transmission of statements under section 8(a) of this chapter so that:

(A) the due date of the first installment that would otherwise be due under subsection (a) is delayed by not more than sixty (60) days; and

(B) all statements reflect any changes in levies that result from the resolution of the appeal by the department of local government finance.

(e) A reconciling statement under subsection (d)(1) must indicate:

(1) the total amount due for the year;

(2) the total amount of the installments paid that did not reflect the resolution of the appeal under IC 6-1.1-18.5-12(g) or IC 6-1.1-19-2(g) (**repealed**) by the department of local government finance;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount that is payable by the taxpayer:

(A) as a final reconciliation of all amounts due for the year; and

(B) not later than:

(i) November 10; or

(ii) the date or dates established under section 9.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(f) If property taxes are not paid on or before the due date, the penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent taxes.

(g) Notwithstanding any other law, a property tax liability of less than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement

processing charge is considered a part of the tax liability.

(h) If in a county the notices of general reassessment under IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year, the property taxes that would otherwise be due under subsection (a) on May 10 of the immediately succeeding calendar year are due on the later of:

(1) May 10 of the immediately succeeding calendar year; or

(2) forty-five (45) days after the notices are given to taxpayers in the county.

(i) If subsection (h) applies, the property taxes that would otherwise be due under subsection (a) on November 10 of the immediately succeeding calendar year referred to in subsection (h) are due on the later of:

(1) November 10 of the immediately succeeding calendar year; or

(2) a date determined by the county treasurer that is not later than December 31 of the immediately succeeding calendar year.

SECTION 143. IC 6-1.1-22-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) A person who is liable for property taxes under IC 6-1.1-2-4, **including property taxes deferred under IC 6-1.1-46 after the deferred taxes become due**, is personally liable for the taxes and all penalties, cost, and collection expenses, including reasonable attorney's fees and court costs, resulting from late payment of the taxes.

(b) A person's liability under this section may be enforced by any legal remedy, including a civil lawsuit instituted by a county treasurer or a county executive to collect delinquent taxes. One (1) action may be initiated to collect all taxes, penalties, cost, and collection expenses levied against a person in the same county for one (1) or more years. However, an action may not be initiated to enforce the collection of taxes after ten (10) years from the first Monday in May of the year in which the taxes first became due. An action initiated within the ten (10) year period may be prosecuted to termination.

(c) In addition to any other method of collection authorized under this article, the department of state revenue may collect:

(1) property taxes deferred under IC 6-1.1-46, after the deferred taxes become due; and

(2) all interest, penalties, costs, and collection expenses, including reasonable attorney's fees and court costs accruing under this article, after the deferred taxes become due under IC 6-1.1-46;

as a listed tax.

SECTION 144. IC 6-1.1-22-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) The state acquires a lien on each tract of real property for all property taxes

levied against the tract, including the land under an improvement or appurtenance described in IC 6-1.1-2-4(b), and all subsequent penalties and cost resulting from the taxes. This lien attaches on the assessment date of the year for which the taxes are assessed. The lien is not affected by any sale or transfer of the tract, including the land under an improvement or appurtenance described in IC 6-1.1-2-4(b), including the sale, exchange, or lease of the tract under IC 36-1-11.

(b) The lien of the state for taxes, penalties, and cost continues for ten (10) years from May 10 of the year in which the taxes first become due. **For purposes of IC 6-1.1-46, the due date is the date to which property taxes are deferred under IC 6-1.1-46.** However, if any proceeding is instituted to enforce the lien within the ten (10) year period, the limitation is extended, if necessary, to permit the termination of the proceeding.

(c) The lien of the state inures to taxing units which impose the property taxes on which the lien is based, and the lien is superior to all other liens.

(d) A taxing unit described in subsection (c) may institute a civil suit against a person or an entity liable for delinquent property taxes. The taxing unit may, after obtaining a judgment, collect:

- (1) delinquent real property taxes;
- (2) penalties due to the delinquency; and
- (3) costs and expenses incurred in collecting the delinquent property tax, including reasonable attorney's fees and court costs approved by a court with jurisdiction.

SECTION 145. IC 6-1.1-22.5-8.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.1. A provisional statement mailed or transmitted under section 8 of this chapter after May 15, 2008, must include the information concerning the deferral of property taxes under IC 6-1.1-46 that is required in a statement under IC 6-1.1-22-8.1.**

SECTION 146. IC 6-1.1-22.5-9, AS AMENDED BY P.L.219-2007, SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as provided in subsection (b), subsection (c), ~~and~~ section 12 of this chapter, **and IC 6-1.1-46**, property taxes billed on a provisional statement are due in two (2) equal installments on May 10 and November 10 of the year following the assessment date covered by the provisional statement.

(b) If in a county the notices of general reassessment under IC 6-1.1-4-4 or notices of assessment under IC 6-1.1-4-4.5 for an assessment date in a calendar year are given to the taxpayers in the county after March 26 of the immediately succeeding calendar year, the property taxes that would otherwise be due under subsection (a) on May 10 of the immediately succeeding calendar year are due on the later of:

- (1) May 10 of the immediately succeeding calendar year; or
- (2) forty-five (45) days after the mailing or transmittal of provisional statements.

(c) If subsection (b) applies, the property taxes that would otherwise be due under subsection (a) on November 10 of the immediately succeeding calendar year referred to in subsection (b) are due on the later of:

- (1) November 10 of the immediately succeeding calendar year; or
- (2) a date determined by the county treasurer that is not later than December 31 of the immediately succeeding calendar year.

SECTION 147. IC 6-1.1-22.5-12, AS AMENDED BY P.L.219-2007, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) Except as provided by subsection (c), each reconciling statement must indicate:

- (1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;
- (2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;
- (3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:
 - (A) as a final reconciliation of the tax liability; and
 - (B) not later than:
 - (i) thirty (30) days after the date of the reconciling statement; or
 - (ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and
- (4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(b) If, upon receipt of the abstract referred to in section 6 of this chapter, the county treasurer determines that it is possible to complete the:

- (1) preparation; and
- (2) mailing or transmittal;

of the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement, the county treasurer may request in writing that the department of local government finance permit the county treasurer to issue a reconciling statement that adjusts the amount of the second installment that was specified in the provisional statement. If the department approves the county treasurer's request, the county treasurer shall prepare and mail or transmit the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement.

(c) A reconciling statement prepared under subsection (b) must indicate:

(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount of the first installment paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount of the second installment that is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) November 10; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(d) A reconciling statement mailed or transmitted after May 15, 2008, must include the information concerning the deferral of property taxes under IC 6-1.1-46 that is required in a statement under IC 6-1.1-22-8.1.

SECTION 148. IC 6-1.1-22.5-18, AS AMENDED BY P.L.219-2007, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. For purposes of IC 6-1.1-24-1(a)(1):

(1) the first installment on a provisional statement is considered to be the taxpayer's spring installment of property taxes;

(2) except as provided in subdivision (3) **and IC 6-1.1-46**, payment on a reconciling statement is considered to be due before the due date of the first installment of property taxes payable in the following year; and

(3) payment on a reconciling statement described in section 12(b) of this chapter is considered to be the taxpayer's fall installment of property taxes."

Page 157, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 186. IC 6-1.1-46 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 46. Property Tax Payment Deferral Program

Sec. 1. As used in this chapter, "base amount" means the amount of homestead property tax liability that is not subject to deferral, as determined under this chapter.

1 **Sec. 2.** As used in this chapter, "blind" has the meaning set forth
2 in IC 6-1.1-12-11.

3 **Sec. 3.** As used in this chapter, "defer" means to delay the due
4 date on which property taxes would otherwise be first due and
5 payable.

6 **Sec. 4.** As used in this chapter, "individual with a disability" has
7 the meaning set forth in IC 6-1.1-12-11.

8 **Sec. 5.** As used in this chapter, "homestead" means an
9 individual's principal place of residence that:

- 10 (1) is located in Indiana;
- 11 (2) the individual either owns or is buying under a contract,
12 recorded in the county recorder's office, that provides that he
13 is to pay the property taxes on the residence; and
- 14 (3) consists of a dwelling and the real estate, not exceeding one
15 (1) acre, that immediately surrounds that dwelling.

16 **Sec. 6.** As used in this chapter, "homestead property tax
17 liability" refers to a liability for property taxes:

- 18 (1) that are assessed on tangible property that is a homestead;
19 and
- 20 (2) that would be first due and payable in a certain year if the
21 property taxes were not deferred under this chapter.

22 The term refers to a property tax liability after the application of
23 all deductions and credits for which the homestead is eligible.

24 **Sec. 7. (a)** As used in this chapter, "property taxes" refers to ad
25 valorem property taxes.

26 **(b)** The term does not include the following:

- 27 (1) Special assessments.
- 28 (2) Fees or charges that are included by law on a tax
29 statement issued under IC 6-1.1-22-8.1 or IC 6-1.1-22.5.

30 **Sec. 8.** As used in this chapter, "qualified individual" means an
31 individual who meets all the following criteria:

- 32 (1) Has a qualified interest in a homestead on the assessment
33 date for which homestead property tax liability is imposed.
- 34 (2) Uses the homestead in which the individual has a qualified
35 interest as the individual's principal place of residence.

36 (3) Either:

37 (A) is not delinquent in the payment of:

- 38 (i) any property taxes that are not deferred under this
39 chapter, special assessments, or fees or charges that are
40 included by law on a tax statement issued under
41 IC 6-1.1-22-8.1 or IC 6-1.1-22.5 or a statement in another
42 state; or

- 43 (ii) penalties or interest imposed for property taxes,
44 special assessments, or fees or charges, including any
45 deferred property taxes; or

46 (B) has been granted a waiver under this requirement from
47 the county auditor in the county where the homestead is

1 located.

2 (4) Is:

3 (A) at least sixty-five (65) years of age;

4 (B) blind; or

5 (C) an individual with a disability.

6 Sec. 9. As used in this chapter, "qualified interest" means the
7 following:

8 (1) An ownership interest in a homestead.

9 (2) A beneficial interest in an entity that has an ownership
10 interest in a homestead or a contract interest described in
11 subdivision (3).

12 (3) An interest in a contract for the purchase of a homestead
13 that:

14 (A) is recorded in the county recorder's office; and

15 (B) provides that a person purchasing the homestead is to
16 pay the property taxes on the homestead.

17 Sec. 10. As used in this chapter, "qualified taxpayer" means any
18 of the following persons:

19 (1) A qualified individual.

20 (2) An entity in which a qualified individual has a beneficial
21 interest.

22 Sec. 11. Beginning with property taxes first due and payable in
23 2008, a qualified taxpayer may defer the due date for the part of
24 the qualified taxpayer's homestead property tax liability permitted
25 under this chapter.

26 Sec. 12. Property taxes deferred under this chapter are due and
27 payable thirty (30) days after the date on which a deferral
28 termination event occurs.

29 Sec. 13. (a) Subject to subsections (b), (c), and (d), a deferral
30 termination event occurs on the earliest of the following dates:

31 (1) The first date on which none of the qualified individuals
32 who had a qualified interest in the homestead when the
33 property taxes were deferred:

34 (A) use the homestead as their principal place of residence;
35 or

36 (B) have a qualified interest in the homestead.

37 (2) The first date on which the mortgages and liens of record
38 on the homestead exceed the assessed value of the homestead.

39 (3) The date on which a person with an ownership interest in
40 the homestead files for bankruptcy or the homestead property
41 is placed in receivership.

42 (b) For purposes of subsection (a), an individual shall be treated
43 as using a homestead as the individual's principal place of
44 residence if the individual:

45 (1) is absent from the homestead while in a health care facility
46 (as defined in IC 16-18-2-161 or IC 16-28-13-0.5); but

47 (2) used the homestead as the individual's principal place of

1 residence immediately before being admitted to a health care
2 facility (as defined in IC 16-18-2-161 or IC 16-28-13-0.5).

3 (c) The estate of a deceased individual shall be treated as having
4 the same rights the deceased individual had immediately before the
5 individual died to do the following:

6 (1) Defer taxes that would otherwise be due and payable in the
7 year the individual died.

8 (2) Continue to defer taxes that were deferred before the
9 individual died.

10 (d) This subsection applies only to a surviving spouse who was
11 not a qualified individual on the date on which property taxes were
12 deferred. If a deceased individual was a qualified individual on the
13 date on which property taxes were deferred, the deceased
14 individual's surviving spouse shall be treated after the deceased
15 individual's death as if the surviving spouse had been a qualified
16 individual on the date on which property taxes were deferred if:

17 (1) the homestead was the surviving spouse's principal place
18 of residence when the deceased qualified individual died;

19 (2) the surviving spouse has a qualifying interest in the
20 homestead not later than the later of:

21 (A) the date of the deceased individual's death; or

22 (B) the date on which the estate of the deceased individual
23 transfers any part of the ownership of the homestead from
24 the estate; and

25 (3) the surviving spouse:

26 (A) is unmarried; or

27 (B) marries only after the surviving spouse becomes:

28 (i) at least sixty-five (65) years of age;

29 (ii) blind; or

30 (iii) an individual with a disability.

31 Sec. 14. The maximum amount that may be deferred in a year
32 under this chapter is equal to the lesser of the following:

33 (1) The amount by which the homestead property tax liability
34 on the current assessment date exceeds the base amount for
35 the homestead.

36 (2) An amount equal to the assessed value of the homestead
37 after subtracting the amount of all recorded mortgages and
38 liens on the property on the date on which the property taxes
39 would otherwise be first due and payable, excluding the lien
40 for property taxes imposed on the current assessment date.

41 Sec. 15. The initial base amount for a homestead is determined
42 as follows:

43 (1) If at least one (1) individual who is a qualified individual
44 on the current assessment date qualified as a qualified
45 individual on the first assessment date for the homestead after
46 January 15, 2003, the initial base amount is the lesser of the
47 following:

(A) One hundred twenty-five percent (125%) of the homestead property tax liability for the first assessment date for the homestead after January 15, 2003.

(B) The homestead property tax liability for the first assessment date for the homestead after January 15, 2004.

(2) If subdivision (1) does not apply, the initial base amount is the homestead property tax liability for the first assessment date for the homestead on which at least one (1) individual who is a qualified individual on the current assessment date qualified as a qualified individual.

Sec. 16. The base amount for a homestead is increased in any year in which the homestead property tax liability for the current assessment date exceeds the base amount that applied to the immediately preceding assessment date, including years occurring before calendar year 2008. The amount by which the base amount is increased under this section is equal to the amount determined under STEP SIX of the following formula:

STEP ONE: Determine the greater of zero (0) or the difference between the homestead property tax liability for the current assessment date and the base amount that applied to the immediately preceding assessment date.

STEP TWO: Determine the greater of zero (0) or the part of the STEP ONE amount, if any, that is attributable to an improvement to the homestead that is assessed for the first time on the current assessment date.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Determine the greater of the following:

(A) Zero (0).

(B) The STEP THREE amount.

STEP FIVE: Determine the lesser of the following:

(A) The STEP FOUR amount.

(B) One-tenth (0.1) of the base amount for the immediately preceding assessment date.

STEP SIX: Add the STEP TWO amount and the STEP FIVE amount.

The STEP SIX amount becomes the new base amount for subsequent assessment dates.

Sec. 17. To qualify for a deferral of homestead property tax liability in any year, a qualified taxpayer must apply for the deferral:

(1) on the form, in the manner, and with the information prescribed by the department of local government finance; and

(2) before the date on which the installment being deferred is first due and payable.

The department of local government finance may provide forms

1 allowing a qualified taxpayer to elect to defer property taxes for
 2 more than one (1) year. If the department of local government
 3 permits a multiyear election, the department of local government
 4 finance shall provide for the filing of amended forms whenever any
 5 of the information in a previously filed form ceases to be accurate
 6 or complete.

7 **Sec. 18.** An application for a deferral must be filed with the
 8 county auditor in the county where the homestead is located. Upon
 9 the filing of an application, the county auditor shall immediately:

- 10 (1) notify the county treasurer and transmit the information
- 11 that the county treasurer needs to match the application with
- 12 county treasurer's records related to the homestead; and
- 13 (2) review the application to determine:
 - 14 (A) whether the applicant qualifies for a deferral; and
 - 15 (B) the amount that may be deferred.

16 **Sec. 19.** The filing of an application waives any interest and
 17 penalties that would otherwise be imposed for the nonpayment of
 18 property taxes by the due date only to the extent that the county
 19 auditor approves the application for the amount of the unpaid
 20 property taxes.

21 **Sec. 20.** If the applicant is qualified under this chapter for a
 22 deferral, the county auditor shall:

- 23 (1) approve the deferral in the lesser of:
 - 24 (A) the amount requested by the applicant; or
 - 25 (B) the maximum amount that may be deferred in the
 - 26 year;
- 27 (2) provide for the recording of the deferral in the office of the
- 28 county recorder on the form and in the manner prescribed by
- 29 the department of local government finance; and
- 30 (3) notify the county treasurer and the department of local
- 31 government finance of the amount deferred on the form and
- 32 in the manner prescribed by the department of local
- 33 government finance.

34 **Sec. 21.** An amount approved for deferral under this chapter for
 35 a particular year does not accrue interest until the fifth year after
 36 the amount otherwise would have been due if the amount had not
 37 been deferred. Beginning in the fifth year and on the installment
 38 date on which the amount otherwise would have been due, the
 39 deferred amount accrues interest at the rate set under
 40 IC 6-8.1-10-1 for delinquent listed taxes. The department of local
 41 government finance shall at least annually notify each county
 42 auditor of the interest rate that applies in the year to deferred
 43 property taxes. The amount of interest due shall be included in the
 44 next statement to the taxpayer mailed or transmitted under
 45 IC 6-1.1-22-8.1 or IC 6-1.1-22.5. The due date for the payment of
 46 interest imposed under this section is the first regular installment
 47 date after the mailing or transmission of the statement. Interest

1 imposed under this section shall be deposited and distributed to
 2 taxing units in the same manner as interest and penalties on
 3 delinquent taxes. The nonpayment of interest due under this
 4 section shall be treated in the same manner as delinquent property
 5 taxes.

6 **Sec. 22. Deferred property taxes may be paid at any time on or**
 7 **before the delayed due date established by this chapter without**
 8 **interest and penalties other than the interest imposed under this**
 9 **chapter. Payment of deferred property taxes after the delayed due**
 10 **date established by this chapter shall be collected in the same**
 11 **manner as delinquent property taxes. If a payment of deferred**
 12 **property taxes is made, the county treasurer shall notify the county**
 13 **auditor, the county recorder, and the department of local**
 14 **government finance on the form and in the manner prescribed by**
 15 **the department of local government finance. Notice to the county**
 16 **recorder must be in the form of a release of the lien on the**
 17 **homestead for the deferred property taxes.**

18 **Sec. 23. Whenever an individual who is a qualified individual on**
 19 **an assessment date for which property taxes were deferred:**

- 20 (1) ceases to use the homestead as the individual's principal
- 21 place of residence;
- 22 (2) ceases to have a qualified interest in the homestead; or
- 23 (3) changes the individual's qualified interest in the
- 24 homestead;

25 or a surviving spouse becomes a qualified individual, a person
 26 responsible for paying the property taxes on the homestead shall
 27 notify the county auditor in the county where the homestead is
 28 located on the form and in the manner prescribed by the
 29 department of local government finance. The county auditor shall
 30 review the information filed under this section to determine
 31 whether a deferral termination event has occurred.

32 **Sec. 24. If, as the result of the filing of information with the**
 33 **county auditor or on the county auditor's own motion, the county**
 34 **auditor determines that a deferral termination event has occurred,**
 35 **the county auditor shall notify the county treasurer, the county**
 36 **recorder, and the department of local government on the form and**
 37 **in the manner prescribed by the department of local government**
 38 **finance.**

39 **Sec. 25. A county auditor shall give written notice of each**
 40 **determination under this chapter to the qualified taxpayers and**
 41 **mortgage holders of record for the affected homestead. A qualified**
 42 **taxpayer may appeal an adverse determination under this chapter**
 43 **to the Indiana board not later than forty-five (45) days after notice**
 44 **of the determination.**

45 **Sec. 26. The county recorder shall record the following without**
 46 **charge in the miscellaneous records of the county recorder:**

- 47 (1) A statement of the amount of property tax deferred and

1 interest imposed on deferred property taxes.

2 (2) A statement of payment of deferred property taxes and
3 interest on deferred property taxes.

4 (3) A notice of termination of a deferral.

5 **Sec. 27. (a) Except:**

6 (1) as required by federal law or regulation;

7 (2) if a loan from a lender:

8 (A) is made, guaranteed, or insured by a federal
9 government lending or insuring agency; and

10 (B) requires the borrower to make payments to a lender
11 with respect to an escrow or other type of account; or

12 (3) if the application of this section would impair the
13 obligations of a borrower under an agreement executed
14 before April 15, 2008;

15 a lender may not require a borrower to maintain an escrow or
16 other type of account with regard to taxes for which the borrower
17 has elected to defer taxes under this chapter.

18 (b) Notice of a tax deferral in the records of the county recorder
19 shall be treated as notice of a tax deferral to a lender.

20 (c) Any payments that are made by the borrower to the escrow
21 or other type of account with regard to property taxes and that:

22 (1) were submitted before the time of submission of evidence
23 of tax deferral, for any period; and

24 (2) have not been used in payment or partial payment of
25 taxes;

26 must be refunded to the borrower within thirty (30) days after the
27 deferral is approved and filed with the county recorder.

28 **Sec. 28.** Not later than the settlement date in the year in which
29 property taxes are deferred under this chapter, the department of
30 local government finance shall distribute to the county in which
31 property taxes are deferred an amount equal to the amount of
32 deferred property taxes not paid by the settlement date. The
33 amount necessary to make the distribution required under this
34 section is annually appropriated from the state general fund. The
35 amount of the distribution under this section shall be deposited and
36 distributed to taxing units in the same manner that the deferred
37 property taxes would have been deposited and distributed.

38 **Sec. 29.** Not later than the settlement date in a year when a
39 payment of deferred property taxes is made or deferred property
40 taxes are collected as delinquent property taxes, the county
41 treasurer shall transfer the amount to the department of local
42 government finance for deposit in the state general fund."

43 Page 253, between lines 31 and 32, begin a new paragraph and
44 insert:

45 "SECTION 264. [EFFECTIVE UPON PASSAGE] (a) The
46 definitions in IC 6-1.1-1 apply throughout this SECTION.

47 (b) IC 6-1.1-46, as added by this act, applies only to ad valorem

1 **property taxes first due and payable for assessment dates after**
2 **February 28, 2007."**

3 Renumber all SECTIONS consecutively.
(Reference is to HB 1001 as printed January 17, 2008.)

Representative Leonard